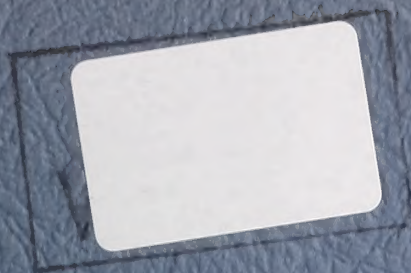


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ANNUAL REPORT

APRIL 1ST. 1952

MARCH 31ST. 1953

ALBERTA GOVERNMENT TELEPHONES

Edmonton, October 1, 1953

Honourable Gordon E. Taylor,
Minister of Railways and
Telephones,
Province of Alberta,
Edmonton, Alberta.

Edmonton, Alberta.

November 30, 1953.

To His Honour,

J.J. Bowlen,

Lieutenant Governor of the Province of Alberta.

Edmonton, Alberta.

Sir:-

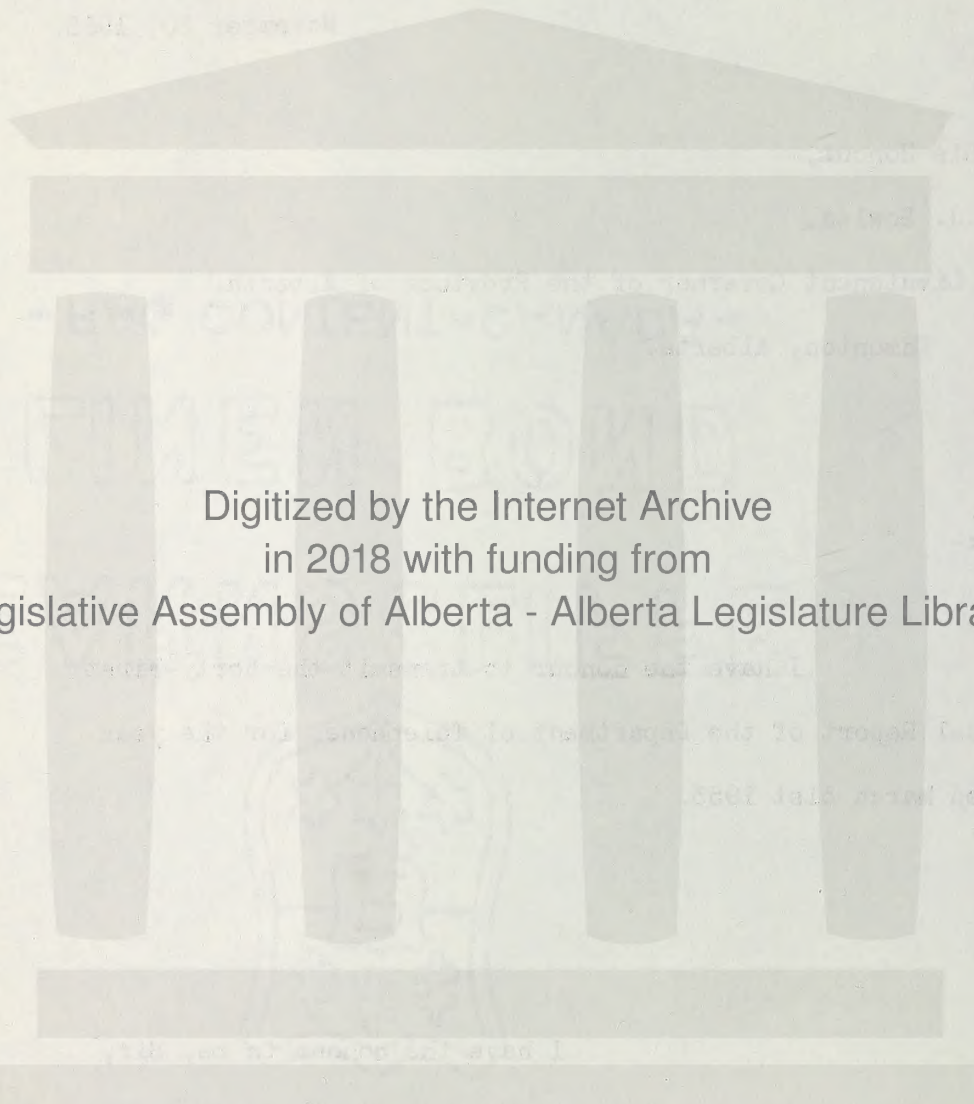
I have the honour to transmit the Forty-First Annual Report of the Department of Telephones for the year ended March 31st 1953.

I have the honour to be, Sir,

Your obedient servant,

Gordon E. Taylor,

Minister of Railways and Telephones.



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Edmonton, October 1, 1953.

Honourable Gordon E. Taylor,
Minister of Telephones,
Province of Alberta,
EDMONTON, Alberta.

Sir:--

Herewith is submitted the forty-first Annual Report of the Alberta Government Telephones, covering the fiscal year ended March 31st 1953.

As the detailed report will illustrate, the growth and expansion that has characterized the operations of the Alberta Government Telephones during the past few years continues unabated and, in fact, accelerated during the fiscal year under review.

The demand for both local and long distance telephone service has been so sustained that it is indeed difficult to cope with it. At least, a tapering off in the demand has been, more or less, anticipated but, on the contrary, it shows no signs of diminishing rather it is increasing.

While we believe we have been optimistic and liberal in the planned expansion of the system yet the many millions of dollars worth of equipment installed, associated with a substantial increase in staff, have fallen somewhat short of adequately meeting current requirements consequently the service in some localities is not as satisfactory and efficient as we would like it to be.

There is still a substantial backlog of waiting applicants for local service and our long distance facilities are generally operating to full capacity. Everything humanly possible is being done to remedy the situation, substantial quantities of equipment are on order, and we hope to serve, during the current fiscal year, all those presently on the waiting list and to improve long distance service.

We are still contending with long delays in the delivery of equipment by manufacturers and our staff turnover, particularly in the operating department, is serious, resulting in a preponderance of inexperienced operators and a major training problem. The operating staff turnover during the fiscal year was 68.9% and we consider an important factor contributing to this condition is the necessity for evening and night shift work.

Comparative figures of toll calls and net toll
revenue for the last decade are as follows:-

Our long range program of converting manually
operated exchanges to dial service is progressing satis-
factorily, the following exchanges being changed during the
fiscal year:-

1944-45	3,223,869	575,977	18.2%
1945-46	3,652,300		12.6%
1946-47	4,136,723	423	15.2%
1947-48	4,474,542	337,319	8.1%

Ferintosh
Grande Prairie
Hay Lakes
High River
Taber

The proportion of Alberta Government Telephones
stations now operating on a dial basis is 71.3%.

The following is a more detailed report on the
year's operations.

1948-49	5,052,542	516,242	10.0%
1949-50	5,352,353	537,353	11.3%
1950-51	6,950,911	692,558	11.1%
1951-52	7,719,426	768,515	11.0%

Toll Service

The number of long distance calls completed,
again reached a new high of 7,719,426 compared to 6,950,911
the previous year, a gain of 768,515 or 11%.

Net toll revenue approached very close to the
six million dollar mark, the exact total being \$5,971,295.16,
a gain of \$859,530.00 or 16.8% over the previous year. This
is easily the largest dollar increase of any of the past ten
years. The net toll revenue represents 55.7% of our total
operating revenues as against 54.9% last year.

1950-51	4,473,244.00	699,509.00	16.5%
1951-52	5,111,784.00	835,520.00	14.1%
1952-53	5,971,295.00	859,530.00	16.8%

Comparative figures of toll calls and net toll revenue for the last decade are as follows:-

Toll Calls Completed

<u>Fiscal Year</u>	<u>Calls Completed</u>	<u>Increase over Previous Year</u>	<u>Percent Increase</u>
1943-44	2,849,992	297,661	11.7%
1944-45	3,225,869	375,877	13.2%
1945-46	3,632,300	406,431	12.6%
1946-47	4,136,723	504,423	13.9%
1947-48	4,474,542	337,819	8.1%
1948-49	5,092,794	618,252	13.8%
1949-50	5,602,546	509,752	10.0%
1950-51	6,258,353	655,807	11.7%
1951-52	6,950,911	692,558	11.1%
1952-53	7,719,426	768,515	11.0%

Net Toll Revenue

<u>Fiscal Year</u>	<u>Net Toll Revenue</u>	<u>Increase over Previous Year</u>	<u>Percent Increase</u>
1943-44	\$ 1,702,618.00	\$ 295,991.00	21.0%
1944-45	1,888,159.00	185,541.00	10.9%
1945-46	2,111,710.00	223,551.00	11.8%
1946-47	2,419,845.00	308,135.00	14.6%
1947-48	2,769,538.00	349,693.00	14.5%
1948-49	3,255,772.00	486,234.00	17.5%
1949-50	3,778,735.00	522,963.00	16.1%
1950-51	4,478,244.00	699,509.00	18.5%
1951-52	5,111,764.00	633,520.00	14.1%
1952-53	5,971,295.00	859,530.00	16.8%

Again, there is every indication that the 1952-53 net toll revenue will be substantially exceeded during the current fiscal year.

Exchange Service

At the end of the fiscal year a net gain of 10,964 Alberta Government stations was recorded over the previous year. Connections numbered 25,467 and disconnections 14,503 resulting in the net increase mentioned.

Rural Mutual Companies, numbering 860, showed a net gain of 1,013 stations to a total of 25,854.

The total number of telephones in service in the Province, as at March 31st 1953, follows:-

Alberta Government Telephones Stations	-	101,301
Rural Mutual Company Stations	-	25,854
City of Edmonton (private system)	-	<u>53,989</u>
Total Stations	-	<u>181,144</u>

At March 31st 1952, we reported 11,092 applicants waiting for A.G.T. exchange service and notwithstanding a net gain of 10,964 stations during the fiscal year we still had a waiting list of 14,285 applicants at March 31st 1953. These figures illustrate the unprecedented and increasing demand for telephone service.

The following table shows the telephone development in the Province during the last ten years:-

<u>Fiscal Year ended</u>	<u>A.G.T. Stations</u>	<u>Mutual Co. Stations</u>	<u>Private System</u>	<u>Total Stations</u>
Mar. 31-1944	42,880	18,814	24,503	86,197
" " -1945	44,247	19,327	24,713	88,287
" " -1946	46,594	19,765	25,866	92,225
" " -1947	49,365	20,633	26,703	96,701
" " -1948	55,506	21,382	28,274	105,162
" " -1949	60,739	22,456	30,284	113,479
" " -1950	69,716	23,286	35,328	128,330
" " -1951	78,741	24,144	40,937	143,822
" " -1952	90,337	24,841	47,752	162,930
" " -1953	101,301	25,854	53,989	181,144

Exchange Service Revenue for the year amounted to \$3,974,899.35, an increase of \$489,439.65 over the previous year, which again reflects the substantial number of new subscribers added to the system.

The following table illustrates the steady increase in Exchange Service Revenue during the last ten years:-

<u>Fiscal Year ended</u>	<u>Exchange Service Revenue</u>	<u>Increase over Previous Year</u>
Mar. 31-1944	\$ 1,669,782.56	\$ 88,659.05
" " -1945	1,744,378.45	74,595.89
" " -1946	1,816,931.09	72,552.64
" " -1947	1,942,520.26	125,589.17

<u>Fiscal Year ended</u>	<u>Exchange Service Revenue</u>	<u>Increase over Previous Year</u>
Mar. 31-1948	\$ 2,139,020.79	\$ 196,500.53
" " -1949	2,386,129.62	247,108.83
" " -1950	2,680,963.30	294,833.68
" " -1951	3,065,790.95	384,827.65
" " -1952	3,485,459.70	419,668.75
" " -1953	3,974,899.35	489,439.65

During the year the outside plant at twelve exchanges was completely rebuilt and sixteen other exchanges partially rebuilt.

Financial

For the year under review, our operating revenues again reached an all-time high, the total being \$10,714,038.45 an increase of \$1,408,008.93 over the previous fiscal year. This represents a percentage increase of 15.1%. The revenue was derived from the following sources:-

Exchange Service	- \$ 3,974,899.35
Toll Service (net)	- 5,971,295.16
Connecting Company Service	- 178,112.01
Miscellaneous Operating Revenue	- <u>589,731.93</u>
Total Operating Revenue	- <u>\$10,714,038.45</u>

In addition to the above, there was a non-operating revenue of \$6,784.87.

As the following data will show, there has been a steady and almost similar percentage rate of increase in total operating revenues during the past five years, which illustrates the continued demand for telephone service and the orderly consistency in placing plant into service and producing revenue as soon as possible after equipment becomes available.

Total Operating Revenues

<u>Fiscal Year ended</u>	<u>Total Operating Revenues</u>	<u>Increase over Previous Year</u>	<u>Per cent Increase</u>
Mar. 31-1949	\$ 6,089,611.25	\$ 779,430.69	14.6%
" " -1950	6,977,787.78	888,176.53	14.6%
" " -1951	8,117,563.33	1,139,775.55	16.3%
" " -1952	9,306,029.52	1,188,466.19	14.6%
" " -1953	10,714,038.45	1,408,008.93	15.1%

Operating Expenses

Operating Expenses (operation and maintenance combined) amounted to \$5,036,360.49, an increase of \$791,382.40 or 18.6% over last year. This, of course, was the result of system expansion, additions to the staff and a general salary adjustment early in the year.

Included in total Operation Expenses is the net cost of operating Radio Station CKUA which amounted to \$86,929.16, an increase of \$9,763.75 over 1951-52. Total expenditures by the Alberta Government Telephones on behalf of the radio station, since taking over its operation in April 1944, now amount to \$531,525.00 of which \$39,398.00 is Capital and \$492,127.00 is for operation.

Surplus

The net surplus after allowing \$1,200,000.00 for Depreciation and transferring \$555,738.71 to the Capital Repayments Reserve (representing repayments of principal on the long term debt) amounted to \$2,807,373.81, an increase of \$68,742.05 over the previous year. As has been the case during the last few years, surplus revenues have been used to augment our borrowings in order to finance the large expenditures required for essential Plant expansion.

Plant in Service

At the end of the fiscal year, the value of Plant in Service was \$45,562,898.50, a net increase of \$9,046,067.78 over March 31st 1952. The increase is accounted for as follows:-

Land and Buildings	-	\$1,799,475.98
Equipment	-	4,038,849.71
Exchange Lines	-	1,627,428.63
Toll Lines	-	<u>1,580,313.46</u>
Total Increase	-	<u>\$9,046,067.78</u>

The following statement shows Plant in Service, Operating Revenues and Operation Expenses for each of the last eight fiscal years:

<u>Year Ended</u>	<u>Plant in Service</u>	<u>Operating Revenue</u>	<u>Operation and Maintenance</u>
Mar.31-1946	\$ 16,378,246.59	\$ 4,402,076.48	\$ 1,463,181.86
" " -1947	17,017,874.72	4,781,961.43	1,653,202.12
" " -1948	18,799,569.95	5,318,175.51	1,975,191.35
" " -1949	21,467,009.68	6,092,547.83	2,329,975.62
" " -1950	25,650,607.53	6,984,055.29	2,818,178.73
" " -1951	29,586,373.12	8,117,563.33	3,258,812.10
" " -1952	36,516,830.72	9,306,029.52	4,244,978.09
" " -1953	45,562,898.50	10,714,038.45	5,036,360.49

The following figures show the annual net increases in Plant, Operating Revenues and Telephones in Service for the last eight years:-

<u>Year Ended</u>	<u>Net Increase in Plant over Previous Year</u>	<u>Increase in Operating Revenues over Previous Year</u>	<u>Increase in Telephones at End of Year</u>
Mar. 31-1946	\$ 370,450.00	\$ 357,441.00	2,356
" " -1947	639,628.00	354,315.00	2,772
" " -1948	1,781,696.00	553,789.00	6,141
" " -1949	2,667,440.00	779,430.00	5,233
" " -1950	4,183,598.00	888,177.00	8,977
" " -1951	3,935,766.00	1,139,776.00	9,025
" " -1952	6,930,458.00	1,188,466.00	11,595
" " -1953	<u>9,046,068.00</u>	<u>1,408,009.00</u>	<u>10,964</u>
Total Increases Eight Year Period	<u>\$29,555,104.00</u>	<u>\$6,669,403.00</u>	<u>57,063</u>

Per cent Increase
over March 1945

185%

-

129%

From the above figures, it can be seen that 63% of the Plant now in service has been added during the last six years while the value of the Plant has been more than doubled in the last four years.

Gross additions to Plant during the fiscal year amounted to \$10,613,151.64 and Plant retired from service totalled \$1,567,083.86, resulting in net additions of \$9,046,067.78 as already mentioned.

Reserve for Uncollectible Accounts

The loss from uncollectible accounts was, as usual, very small compared to total revenue. It amounted to \$11,690.14 or about one-ninth of one per cent of revenue. During the year an amount of \$12,000.00 was added to the Reserve by monthly appropriations of \$1,000.00 and this more than took care of the charges against the Reserve. The latter appropriation will be continued during the present fiscal year.

Special Funds

The Depreciation and Renewal Reserve Fund as at March 31st 1953 amounted to \$1,080,952.45, an increase of \$31,576.29 over last year. In July 1952, Dominion Bonds having a par value of \$100,000.00 were purchased for the Fund so that it is now represented by:-

Investments (par value)	-	\$1,020,000.00
Cash in Bank and Accrued Interest	-	60,952.45

Telephone Debt

Seven Million Dollars were borrowed from the Provincial Treasurer during the fiscal year 1952-53 to help finance the heavy construction program and, as in the case of last year's borrowings, this amount is amortized over a period of twenty-five years at a 3% interest rate. Since the refunding in 1945, the total payments to the Provincial Treasurer on principal and interest amount to \$9,885,537.00 as shown by the following table:-

<u>Original Amount of Borrowings</u>	<u>Repayments of Principal</u>	<u>Interest Payments</u>	<u>Total Payments</u>	<u>Outstanding Debt March 31st 1953</u>
\$18,000,000.00	\$2,326,649.00	\$4,256,019.00	\$6,582,668.00	\$15,673,351.00
3,000,000.00	2,149,784.00	536,321.00	2,686,105.00	850,216.00
2,000,000.00	111,041.00	152,218.00	263,259.00	1,888,959.00
5,000,000.00	136,735.00	173,126.00	309,861.00	4,863,265.00
<u>7,000,000.00</u>	<u>-</u>	<u>43,644.00</u>	<u>43,644.00</u>	<u>7,000,000.00</u>
<u>\$35,000,000.00</u>	<u>\$4,724,209.00</u>	<u>\$5,161,328.00</u>	<u>\$9,885,537.00</u>	<u>\$30,275,791.00</u>

Final payment dates on the above items are as follows:-

Item No.1, June 1/80; No.2, June 1/55; No.3, December 1/75; No. 4, December 1/76; and No.5, December 1/77.

Since 1945 we have increased the value of our Plant by \$29,555,000.00, but our outstanding interest bearing debt has only increased by \$9,275,791.00, the balance being financed from Reserves and Revenue.

Depreciation and Renewal Reserve

The Depreciation and Renewal Reserve at March 31st 1953, amounts to \$7,455,352.07, a net increase of \$461,891.92 over March 31st last year. Amount of the Depreciation Reserve now invested in Plant is \$6,374,399.62 and the balance of \$1,080,952.45 consists of bond investments and cash in bank as referred to under "Special Funds" above.

Miscellaneous

Pension Fund Statistics

The number of employees in the Pension Fund as at March 31st 1953 was 1,401 composed of 652 males and 749 females. This is an increase of 154 compared to March 31st 1952.

At the end of the fiscal year, pensions were being paid to 155 retired employees or widows of former employees, the average monthly pension being \$79.10. Total amount paid out in pensions during the year was \$140,815.04.

Pension Fund investments at March 31st 1953 amounted to \$4,160,000.00 (par value) and a break-down of these investments gives the following result:-

Dominion Government Bonds	-	\$1,220,000.00	-	29%
Bonds of various Provinces	-	1,786,000.00	-	43%
Bonds of various Cities	-	<u>1,154,000.00</u>	-	<u>28%</u>
		<u>\$4,160,000.00</u>		<u>100%</u>

Following discussions with the Provincial Auditor and the Actuary for the Fund, an amendment to the Plan was authorized by Order-in-Council which obligates the Department to contribute on the basis of 8% of the salaries of participating employees. It is considered that, unless major changes occur in salary schedules, this provision will maintain the fund on a solvent basis according to the benefits now contained in the Plan.

Staff

During the year our regular staff increased by 249, the total at March 31st 1953 being 1,970 composed of 753 males and 1,217 females. Salaries, including Cost of Living Bonus, paid to these employees totalled \$4,726,224.12, an average of \$2,399.00 per employee, compared with \$3,978,088.25 and an average of \$2,300.00 last year.

Agents' salaries amounted to \$410,677.07 and commissions paid to other Agents were \$77,447.64.

Total salaries and commissions, therefore, paid by the Department during the year were \$5,214,348.83 or 48.7% of our operating revenue. This compares with \$4,393,791.36 and 47.2% last year.

Total increase in salaries and commissions over the previous year is \$820,557.47 or 18.7%.

Payroll Deductions for Community Services, etc.

Deductions from payrolls covering contributions by employees to Community Chests and Red Cross amounted to \$4,567.65 during the year.

Purchase by employees of the last issue of Savings Bonds through payroll deductions amounted to \$134,150.00 compared with \$110,800.00 for the previous issue. Number of individual applications this year was 737 compared with 657 the year before.

Appreciation

It is a duty and privilege once again to express appreciation and thanks to the entire staff for their loyalty and splendid service, generally under conditions of pressure, and to whom credit is due for the successful results of the year's operations.

Respectfully submitted,

A. Higgins
DEPUTY MINISTER OF TELEPHONES

C O M M E R C I A L

CONDENSED STATION REPORT - Year ended March 31st 1953.

Exchange Subscribers' Stations	75,849
Exchange Subscribers' Extensions	11,799
Exchange P.A.X. Sub-Stations	2,649
Exchange P.B.X. Sub-Stations	7,923
Pay Stations	958
Toll Stations	216
Private A.B. Line Stations	190
A.G.T. "X" Line Stations	<u>1,717</u>
	101,301

Number of Rural Mutual Telephone Company and other Private Owned Party Line Stations	25,854
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STATEMENT OF EXCHANGE & TOLL OFFICES IN THE PROVINCE
Year ended March 31st 1953.

Number of Alberta Government Telephones Exchanges -	349
Number of Alberta Government Telephones Toll Offices -	216
Number of Alberta Government Telephones Exchange Stns -	99,368
Number of Alberta Government Telephones "X" Line Stns -	<u>1,717</u>
	101,301

Number of Rural Mutual Telephone Companies -	860
Number of Rural Mutual Telephone Co., Stations -	25,854
Number of Connecting Exchanges, Edmonton	1
Number of Connecting Exchange Stations -	<u>53,989</u>
Total Stations in the Province	<u>181,144</u>

P L A N T

TOLL WORK UNDERTAKEN AND COMPLETED

April 1st 1952 to March 31st 1953

Constructed

Toll Pole Miles	200
Wire Miles	2,087

Rebuilt

Toll Pole Miles	182
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EXCHANGES REBUILT

Completely Rebuilt	12
Partially Rebuilt	16

NEW EQUIPMENT INSTALLED DURING YEAR

April 1st 1952 to March 31st 1953.

Automatic.....	5,690	Line
Common Battery	400	"
Magneto	1,077	"

STATISTICS

Number of Automatic Exchanges	15
" " Common Battery Exchanges ..	7
" " Magneto Exchanges	315
" " Remote Control Exchanges ..	12

Miles of Poles

Exchange	772
Toll	5,437

Total	<u>6,209</u> Miles
-------------	--------------------

Miles of Wire

In Underground Cable	129,226
In Aerial Cable	110,667
Open Wire.....	<u>76,736</u>

Total	<u>316,629</u> Miles
-------------	----------------------

Physical Long Distance Lines	5
Phantom Long Distance Lines	2
Carrier Long Distance Lines	8
Telegraph & Teletype Circuits	35
Physical Long Distance Circuit Mileage	301.6
Phantom Long Distance Mileage	111.7
Carrier Long Distance Circuit Mileage	1,654.2
Telegraph & Teletype Circuit Mileage	11,682.4

GOVERNMENT OF THE PROVINCE OF ALBERTA
OFFICE OF THE PROVINCIAL AUDITOR

Edmonton, July 24, 1953.

Hon. Gordon E. Taylor,
Minister of Railways & Telephones,
BUILDINGS.

I have audited the books and records of the Alberta Government Telephones for the year ended March 31, 1953. The following statements are submitted for your information:

<u>Statement</u>	<u>Particulars</u>
A.	Balance Sheet
B.	Condensed Statement of Income
C.	Surplus Account
D.	Depreciation and Renewal Reserve
	Alberta Government Telephones Pension and Death Benefit Fund:
E.	Balance Sheet
F.	Statement of Operations

Operations for the year resulted in a net income of \$2,807,373.81 after providing \$1,377,089.02 for debt charges, \$1,200,000.00 for depreciation and renewal reserve and \$86,929.16 being the net operating costs in respect of radio station CKUA. The net income was carried to the surplus account from which was appropriated \$2,339,676.50 for acquirement of capital assets leaving a net balance in the surplus account of \$1,745,676.44 as at March 31, 1953.

Pension and death benefit fund assets are subject to the comments contained in the certificate attached to the Pension and Death Benefit Fund Balance Sheet.

The Alberta Government Telephones have the following estimated contingent liabilities which were not reflected in the Balance Sheet as at March 31, 1953:

In respect of uncompleted building contracts	\$ 1,003,646.00
In respect of commitments for purchase of equipment for future delivery	3,460,492.00

Subject to the foregoing, I certify that, in my opinion, the above Balance Sheet is properly drawn up so as to show the true financial position of the Alberta Government Telephones as at March 31, 1953, according to information and explanations given to me and as shown by the books of the Alberta Government Telephones, and the accompanying Condensed Statement of Income correctly sets forth the results of operations for the year ended at that date.

C.K. Huckvale, F.C.A.,
Provincial Auditor

GOVERNMENT OF THE PROVINCE OF ALBERTAALBERTA GOVERNMENT TELEPHONESBALANCE SHEET AS AT MARCH 31, 1953ASSETS

Capital:

Plant in service:

Real estate	\$ 5,823,634.21	
Equipment	18,697,049.83	
Exchange lines	9,292,489.49	
Toll lines	<u>11,749,724.97</u>	
		\$ 45,562,898.50

Other telephone equipment and supplies:

Supplies	\$ 1,764,578.92	
Tools, vehicles and sundry equipment	421,563.14	
Office furniture and fixtures	<u>288,404.26</u>	
		<u>2,474,546.32</u>
		\$ 48,037,444.82

Current:

Cash on hand and in bank	\$ 1,001,992.44	
Accounts receivable, less reserve	1,059,237.92	
Unbilled custom work and sundry debtors	83,406.59	
Prepaid expenses	<u>80,312.05</u>	
		2,224,949.00

Reserve funds:

Depreciation and renewal reserve fund assets, Statement D	\$ 1,080,952.45	
Pension and death benefit fund, Statement E	<u>4,213,936.58</u>	
		5,294,889.03

Trust funds:

Cash on hand	\$ 416.90	
Government of Canada bonds	<u>133,470.81</u>	
		<u>133,887.71</u>
		<u>\$ 55,691,170.56</u>

LIABILITIES

Capital:

Advance from Provincial Treasurer	\$ 30,275,791.29
Capital surplus arising from capital assets acquired from revenue funds	11,387,253.91
Depreciation and renewal reserve fund invested in plant	<u>6,374,399.62</u>
	\$ 48,037,444.82

Current:

Accounts payable	\$ 91,318.17	
Accrued interest not due	294,174.91	
Unearned revenue	<u>93,779.48</u>	
		479,272.56

Reserves:

Depreciation and renewal reserve	\$ 7,455,352.07	
Less: Investment in plant	<u>6,374,399.62</u>	
	\$ 1,080,952.45	
Pension and death benefit fund reserve	<u>4,213,936.58</u>	
		5,294,889.03

Surplus as per Statement C

1,745,676.44

Trust:

Employees' savings bonds	\$ 78,522.61	
Government of Canada bond instalments payable	<u>55,365.10</u>	
		<u>133,887.71</u>

\$ 55,691,170.56

This is the Balance Sheet referred to in my report of July 24, 1953
addressed to the Minister of Railways and Telephones.

C.K. Huckvale, F.C.A.,
Provincial Auditor

GOVERNMENT OF THE PROVINCE OF ALBERTAALBERTA GOVERNMENT TELEPHONESCONDENSED STATEMENT OF INCOMEFOR THE YEAR ENDED MARCH 31, 1953

Telephone operating revenue:

Exchange earnings		\$ 3,974,899.35
Connecting companies rentals		178,112.01
Toll earnings	\$6,952,455.48	
Less: Toll interchange	<u>981,160.32</u>	
		<u>5,971,295.16</u>
		\$ 10,124,306.52

Other revenue:

Leased line rentals	\$ 266,274.51	
Directory	132,726.05	
Installations, moves, etc.	129,683.63	
Miscellaneous	<u>67,832.61</u>	
		<u>596,516.80</u>

Gross telephone earnings

\$ 10,720,823.32

Telephone operating expenses:

Operations	\$4,021,065.54	
Maintenance	<u>1,015,294.95</u>	
		\$5,036,360.49

Provision for depreciation
and renewal

1,200,000.00

Debt charges:

Interest on debt	\$ 817,836.87	
Debt retirement	555,738.71	
Commission and exchange	<u>3,513.44</u>	
		1,377,089.02

Pension fund contributions

300,000.007,913,449.51Net operating income for the year
ended March 31, 1953\$ 2,807,373.81

GOVERNMENT OF THE PROVINCE OF ALBERTA

ALBERTA GOVERNMENT TELEPHONES

SURPLUS ACCOUNT

AS AT MARCH 31, 1953

Surplus as at April 1, 1952	\$ 1,277,979.13
Add:	
Net operating income for the year ended March 31, 1953	<u>2,807,373.81</u>
	\$ 4,085,352.94
Deduct:	
Appropriation for acquirement of capital assets	<u>2,339,676.50</u>
Surplus as at March 31, 1953	<u>\$ 1,745,676.44</u>

GOVERNMENT OF THE PROVINCE OF ALBERTAALBERTA GOVERNMENT TELEPHONESDEPRECIATION AND RENEWAL RESERVEFOR THE YEAR ENDED MARCH 31, 1953

Reserve as at April 1, 1952		\$ 6,993,460.15
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Add:

Provision during the year	\$ 1,200,000.00	
Interest earnings	<u>31,576.29</u>	
		<u>1,231,576.29</u>
		\$ 8,225,036.44

Deduct: Charges to reserve:

Plant displaced, net	\$ 359,132.23	
Cost of repairs, rearrangements, etc. on reconstruction estimates	246,828.75	
Cost of removing plant	111,147.50	
Supervision, engineering and other associated costs chargeable to reserve	67,630.33	
Reels not returned to suppliers	25,631.06	
Loss on sale of lines	19,439.31	
Obsolete, worthless equipment and supplies written off	17,723.85	
Sundry equipment replaced, net	12,305.43	
Cost of extraordinary repairs	997.23	
Inventory adjustment	13,999.62	
Banff and Jasper plant fully depreciated upon acquirement	83,545.49	
Other charges to reserve, net	<u>6,393.79</u>	
		<u>769,684.37</u>

Reserve as at March 31, 1953		<u>\$ 7,455,352.07</u>
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Represented by:

Fund assets:

Cash in bank	\$ 56,985.25
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Investments:

Government of Canada bonds, par value	1,020,000.00
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Accrued interest	<u>3,967.20</u>
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	\$ 1,080,952.45
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Plant investment	<u>6,374,399.62</u>
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	<u>\$ 7,455,352.07</u>
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GOVERNMENT OF THE PROVINCE OF ALBERTAALBERTA GOVERNMENT TELEPHONESPENSION AND DEATH BENEFIT FUNDBALANCE SHEET AS AT MARCH 31, 1953ASSETS

Cash on hand and in bank	\$ 18,002.66
Investments at book value	4,160,000.00
Accrued interest	<u>35,933.92</u>
	<u>\$ 4,213,936.58</u>

LIABILITIES

Pension and Death Benefit Fund Reserve:	
Employees' accounts	\$ 916,875.93
Alberta Government Telephones' account	<u>3,263,426.83</u>
	\$ 4,180,302.76
Undistributed earnings	<u>33,633.82</u>
	<u>\$ 4,213,936.58</u>

Edmonton, Alberta,
July 24, 1953.

I have audited the books and records of the Alberta Government Telephones Pension and Death Benefit Fund for the year ended March 31, 1953.

Investments as at March 31, 1953 are summarized hereunder:

<u>Bonds and debentures</u>	<u>Par Value</u>
Government of Canada	\$ 1,220,000.00
Provincial direct and guaranteed	1,786,000.00
Municipal	954,000.00
School districts	<u>200,000.00</u>
	<u>\$ 4,160,000.00</u>

The approximate market value of the above securities amounted to \$3,734,000.00 as at July 15, 1953.

Amendment to the Pension and Death Benefit Plan whereby the Alberta Government Telephones undertakes to contribute 8% of the salaries paid by the Department to contributors to the fund has liquidated the deficiency noted in my report of August 14, 1952 and an actuarial survey as at December 31, 1951 indicates that the Fund is sufficient to meet all future benefits in full.

I certify that, in my opinion, the above Balance Sheet is properly drawn up so as to show the true financial position of the Pension and Death Benefit Fund as at March 31, 1953, according to information and explanations given to me and as shown by the books of the Fund, and the accompanying Statement of Operations correctly summarizes the transactions for the year ended at that date.

C.K. Huckvale, F.C.A.,
Provincial Auditor

GOVERNMENT OF THE PROVINCE OF ALBERTAALBERTA GOVERNMENT TELEPHONESPENSION AND DEATH BENEFIT FUNDSTATEMENT OF OPERATIONSFOR THE YEAR ENDED MARCH 31, 1953

	<u>Employees'</u> <u>Account</u>	<u>Alberta</u> <u>Government</u> <u>Telephones'</u> <u>Account</u>	<u>Total</u>
Pension fund as at April 1, 1952	\$ 818,762.03	\$2,943,903.61	\$3,762,665.64
Add: Contributions and earnings allocated for the year:			
Contributions	181,714.62	300,000.00	481,714.62
Earnings allocated	23,489.82	114,404.65	137,894.47
Transfers in respect of employees retiring on pension	<u>46,463.88</u>	<u>46,463.88</u>	
	<u>\$ 977,502.59</u>	<u>\$3,404,772.14</u>	<u>\$4,382,274.73</u>
Deduct:			
Withdrawals	\$ 60,626.66		\$ 60,626.66
Pension payments		<u>\$ 141,345.31</u>	<u>141,345.31</u>
	<u>\$ 60,626.66</u>	<u>\$ 141,345.31</u>	<u>\$ 201,971.97</u>
Pension fund as at March 31, 1953	<u>\$ 916,875.93</u>	<u>\$3,263,426.83</u>	<u>\$4,180,302.76</u>

